

# INFORMATION LETTER

Not for  
Publication

NATIONAL CANNERS ASSOCIATION

For Members  
Only

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## FOOD REGULATION RECOMMENDATIONS

### Association Files Suggestions on Proposed Regulations Under New Law

A statement prepared by the National Canners Association, containing proposals and recommendations with respect to regulations to be promulgated under the Food, Drug, and Cosmetic Act of 1938, was filed Saturday with the chief of the Food and Drug Administration. A regulation exempting shipment of goods already packed and labeled before the new regulations go into effect was requested by the Association.

Detailed recommendations were made relative to prominence of information on labels, manner of disclosure of ingredients on label, and the place of business of the manufacturer, street address, name of packer, and "repacker" provisions of the proposed labeling regulations.

The Association suggested that the Food and Drug Administration make clear by a regulation that information required by the statute need not conflict with customary label designs. It was asked that canners be permitted to list ingredients on the face of the label, where practicable, or on other parts of the label where the listing would interfere with continuance of customary label designs. A redraft of the section in the proposed regulation dealing with manner of disclosure of ingredients was offered by the Association, inasmuch as the present proposal, it was suggested, offers no definite criteria by which a canner is able to determine what is proper to put on the label. The Association also urged that the Administration make clear that "business" address of a canner means the "place of business for the packing of the particular food." Street addresses, the Association insisted, are not necessary. It was suggested that the proposed regulations cause confusion by attempting to distinguish between a "manufacturer" and a "packer" and the Association suggested that no distinction is necessary on the label if the manufacturer actually has packed the food. The regulations use the term "packer" as one who repacks the food. An insertion was offered to permit alternate statement of quantity of contents in terms of units larger than the largest unit. For example, "1 quart, 1 pint, 2 fluid ounces (50 fluid ounces)."

A suggested redraft of the tentative regulation on "chemical preservatives" to plainly exempt added agents in common use, such as salt, vinegar, or sugar, was filed.

Recommendations were made relative to the section dealing with interstate shipment of unlabeled goods for processing or labeling. It was suggested that it would be sufficient for the purposes of the Act for the seller to secure a written agreement from the buyer, specifying that the product shipped in unlabeled form will not be labeled otherwise than in conformity with the Act, and that other products subse-

quently processed from such foods will conform to the Act. Suggestions were also made on the subject of guarantees in such cases.

With a view to simplifying the application of the proposed regulations concerning making available to canners a portion of the official samples taken by inspectors, the Association suggested that Federal inspectors secure large enough samples that canners could obtain a portion. It was also recommended that inspectors be instructed to identify samples taken by canners from their own stocks at the time Federal agents take samples for the government.

In view of the probable changes in label requirements under regulations for the enforcement of the Food and Drugs Act, canners are advised in ordering supplies of labels, to restrict their orders to such quantities as they may reasonably expect to use up to June 25, 1939.

## "AREA OF PRODUCTION" HEARING

### Growers and Shippers of Fresh Fruits and Vegetables Seek Change

A hearing will be held in Washington, probably on December 19, on application of associations representing growers and shippers of fresh fruits and vegetables for amendment of the regulation of the Wage and Hour Division defining "area of production".

The question to be considered is: "What, if any, amendment should be made of Section 536.1 or 536.2 of the regulation issued under the Fair Labor Standards Act of 1938 in respect to the definition of 'area of production' for fresh fruits and vegetables."

Section 536.2 of the regulation refers to Section 13 (a) (10) of the Act, covering employees engaged in canning agricultural or horticultural commodities, as well as handling, packing, drying, etc., of raw materials.

The hearing was granted as the result of petitions from the Texas Citrus Shippers Association, the West Michigan Growers and Shippers Association, the Agricultural Producers' Labor Committee of Los Angeles, the International Apple Association, and others requesting that the limitation on the number of employees be stricken out.

## British Modify Copper Content Tolerance

The British Ministry of Health now has modified the proposed restriction on the copper content of concentrated tomato products to allow a tolerance of 100 parts per million, dry basis, until January 1, 1940, after which date the tolerance will be reduced to 50 parts per million, according to a special

cable November 19 from the American commercial attache at London.

This action modifies the original British proposal to establish a tolerance of 50 parts per million on January 1, 1939, and a possible further reduction to 20 parts per million. The proposals were noted in INFORMATION LETTERS for July 30 and August 13, 1938.

## VEGETABLE ALLOTMENTS

### Will Be Established on Commercial Acreages Under 1939 Farm Program

Commercial vegetable acreage allotments will be established in designated areas in 1939 under the Agricultural Conservation Program, it was announced by the Secretary of Agriculture when he approved detailed provisions of the program for 1939. In general, the 1939 program follows closely the program for 1938 and changes have been made because of changed crop conditions or in an attempt to simplify administration.

Establishing acreage allotments for commercial vegetables is in line with recommendations of the national vegetable conference held in Washington early in October and reported in the INFORMATION LETTER of October 22. The allotments will be established on the basis of the average acreage in commercial vegetables in 1936 and 1937. Payments of \$1.50 per acre will be made to producers for keeping their acreages of commercial vegetables within their allotments and deductions of \$20 an acre are provided for each acre of commercial vegetables in excess of acreage allotments, or in excess of three acres, whichever is greater.

The commercial vegetable provisions are intended "to stabilize the acreage on commercial vegetable farms and to discourage increases on farms with reduced acreages of major crops for which acreage allotments are established."

Provision is made for permitting as much as three acres of commercial vegetables to be grown on any non-allotment farm without penalty. Payments of \$2 an acre will be made to producers for keeping their acreages of commercial orchards within allotments.

Two practices relating to irrigation and flood water control have been added to the general list of soil-building practices for the arid and semi-arid areas. The first of these provides for constructing concrete masonry check dams for control of erosion and seepage of irrigated crop land and orchard land. The other is a provision for ditching and diversion and spreading of flood water or well water on restoration land, crop land or hay land.

## CORN SUPPLY AND DISTRIBUTION

### Association's Division of Statistics Compiles Figures on Carryover

Carryover and new pack of canned sweet corn for the 1938-1939 season amounts to 25,657,000 cases, according to statistics compiled by the Association's Division of Statistics. This compares with the total supply for the 1937-1938 season of 25,101,000 cases. Carryover on August 1, 1937, amounted

to 778,000 cases, and on August 1, 1938, was 4,810,000 cases.

The following table, compiled by the Division of Statistics, shows the supply and distribution of canned sweet corn by cases of 24 No. 2's for the years 1935-36 to 1938-39:

|                                | 1935-36<br>1,000<br>Cases | 1936-37<br>1,000<br>Cases | 1937-38<br>1,000<br>Cases | 1938-39<br>1,000<br>Cases |
|--------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>Supply:</b>                 |                           |                           |                           |                           |
| Carryover (Aug. 1).....        | 148                       | 833                       | 778                       | 4,810                     |
| New Pack.....                  | 20,692                    | 14,622                    | 24,323                    | 20,847                    |
| Total Supply.....              | 20,840                    | 15,455                    | 25,101                    | 25,657                    |
| <b>Distribution of supply:</b> |                           |                           |                           |                           |
| Consumption.....               | 20,007                    | 14,677                    | 20,291                    | .....                     |
| Carryover (July 31).....       | 833                       | 778                       | 4,810                     | .....                     |

Stocks of corn on the cob on November 1, 1938, in the Eastern States amounted to 57,572 cases, of which 35,863 cases were reported unsold. The total pack in the East was 84,684 cases. In the Western States, total November 1 stocks amounted to 310,507 cases, of which 149,707 cases were unsold. The total pack in the West amounted to 449,082 cases.

In the following table are given figures on the 1938-39 supply and shipments to November 1, 1938, by varieties and styles of pack, in cases of 24 No. 2's:

| Variety              | Supply<br>Carryover<br>Cases | 1938 Pack<br>Cases | Shipments<br>Aug.-Oct.<br>Cases |
|----------------------|------------------------------|--------------------|---------------------------------|
| <b>Cream Style:</b>  |                              |                    |                                 |
| Evergreen.....       | 783,850                      | 3,061,463          | 781,140                         |
| Narrow Grain.....    | 236,017                      | 1,334,535          | 160,391                         |
| Country Gentleman... | 657,939                      | 2,716,667          | 619,835                         |
| Crosby.....          | 67,796                       | 233,292            | 68,899                          |
| Bantam and Yellow... | 1,646,417                    | 7,624,369          | 2,404,133                       |
| <b>Whole Grain:</b>  |                              |                    |                                 |
| Bantam and Yellow... | 1,192,038                    | 4,717,787          | 1,320,656                       |
| All White.....       | 225,351                      | 1,158,729          | 347,724                         |
| <b>Total.....</b>    | <b>4,809,408</b>             | <b>20,846,842</b>  | <b>5,702,778</b>                |

## 1938 Production of Cucumbers for Pickles

The 1938 production of cucumbers for pickles was 5,948,000 bushels, according to a preliminary estimate by the Bureau of Agricultural Economics based on packers' reports. After five successive seasons of increases in the production of pickling cucumbers, receipts in 1938 were about 26 per cent less than for the previous year, when they were the highest on record, amounting to 8,033,000 bushels.

Total stocks of salt and dill pickles in tanks and barrels on October 1, 1938, are estimated to have been 8,202,000 bushels. For the corresponding date in 1937, a total of 8,574,000 bushels were estimated to have been in tanks or barrels. Although the 1938 stocks represent a reduction of about 5 per cent from 1937, total quantities estimated in tanks or barrels on October 1, 1938, were around 24 per cent above the average quantity of 6,620,000 bushels for the 8-year (1929-36) period for which data are available.

Of the 8,202,000 bushels estimated in tanks and barrels on October 1, 1938, 5,470,000 bushels were from the current crop and 2,732,000 bushels consist of stocks carried over from previous years. Salt stocks appear to have made up about 92 per cent, or 7,523,000 bushels, and dill stocks the remainder, or 679,000 bushels.

### Returns on Women's Club Questionnaire

The staff of the Home Economics Division wishes to thank the industry for the splendid cooperation the members are showing in returning the questionnaire asking about women's clubs that have programs pertaining to the buying of canned foods.

It will materially assist the staff if the questions at the bottom of the page are answered; that is, if the name and address is given for the woman in each organization who is to receive the literature from the Division.

### Evaporated Milk Imports into Philippines

Imports of evaporated milk from the United States into the Philippines during the first nine months of 1938 amounted to about 35 per cent of total imports of this commodity, according to the American commercial attaché at Manila. The remainder of the imports came almost entirely from the Netherlands, with the exception of 550 cases from Japan and 525 cases from other countries. U. S. imports amounted to about 17,000 cases.

### Metallic Copper in Canned Foods Prohibited

The use of copper sulphate in any amount is no longer permitted in canned food by Argentina, and the importation of canned food containing copper sulphate is prohibited, according to Commerce Reports of November 12. This measure was passed at the suggestion of the Argentine National Chemical Office. Under the decree of 1915, which was in effect until the new decree of September 21, 1938, the use of metallic copper was permitted as a coloring matter in canned food up to a limit of 30 milligrams per kilo.

### Rural Retail Sales in October

Daily average sales of general merchandise in small towns and rural areas for October were higher than for any previous month of 1938, but were about 12 per cent below October, 1937, according to estimates of the Bureau of Foreign and Domestic Commerce. Sales in October, 1938, were 16½ per cent larger than during September of this year, but the increase was less than the usual seasonal amount. Sales for the first ten months of the year were 8½ per cent below the same period in 1937.

### Census Shows More Poultry Canned in 1937

Establishments engaged in wholesale packing of poultry reported increases in value of products for 1937 as compared with 1935, according to preliminary figures compiled from returns of the Biennial Census of Manufactures for 1937.

The value of canned poultry increased from \$1,968,926 in 1935 to \$2,334,639 in 1937; potted and deviled chicken increased from \$30,600 in 1935 to \$59,200 in 1937; the value of chicken broth and soup, and other soups, increased from \$2,187,593 in 1935 to \$2,239,160 in 1937. However, the value of chicken and noodles, chicken a la king, etc., decreased from \$548,238 in 1935 to \$379,166 in 1937.

### Wholesale and Retail Prices

The following indexes on wholesale and retail prices are the latest now available. For wholesale prices, 1926 is taken as 100 per cent, while for retail prices, 1923-25 is taken as 100 per cent.

|                    | Wholesale prices |                |                |                  |                 |
|--------------------|------------------|----------------|----------------|------------------|-----------------|
|                    | Oct. 15<br>1938  | Oct. 8<br>1938 | Oct. 1<br>1938 | Sept. 24<br>1938 | Oct. 16<br>1937 |
| All commodities... | 77.7             | 77.8           | 78.0           | 78.4             | 85.2            |
| All foods.....     | 73.6             | 73.7           | 74.1           | 75.0             | 85.4            |

  

|                              | Retail Prices   |                  |                 |                 |
|------------------------------|-----------------|------------------|-----------------|-----------------|
|                              | Oct. 18<br>1938 | Sept. 13<br>1938 | Oct. 12<br>1937 | Oct. 15<br>1932 |
| All foods.....               | 78.1            | 78.7             | 84.9            | 66.3            |
| Fresh fruits and vegetables. | 53.8            | 52.6             | 53.5            | 49.7            |
| Canned fruits and vegetables | 75.3            | 76.3             | 81.0            | 68.5            |

### Retail Grocers Plan Vocational Training

The National Association of Retail Grocers has announced that a program of education and vocational training for those identified with the retail grocery trade is to be set up under its sponsorship. The work will be handled by an affiliate organization to be known as the National Grocers Institute. It is said that the program follows in many particulars a similar system of study long in vogue in England, but the program will be adapted to conditions that obtain in the grocery industry in the United States.

### Fruit and Vegetable Market Competition

Carlot Shipments as Reported by the Bureau of Agricultural Economics, Department of Agriculture

|                      | Week ending—    |                 |                 | Season total to— |                 |
|----------------------|-----------------|-----------------|-----------------|------------------|-----------------|
|                      | Nov. 19<br>1937 | Nov. 19<br>1938 | Nov. 12<br>1938 | Nov. 12<br>1937  | Nov. 12<br>1938 |
| <b>VEGETABLES</b>    |                 |                 |                 |                  |                 |
| Beans, snap and lima | 204             | 371             | 168             | 9,226            | 9,588           |
| Tomatoes.....        | 141             | 190             | 23              | 34,880           | 24,132          |
| Green peas.....      | 132             | 28              | 74              | 7,490            | 6,399           |
| Spinach.....         | 133             | 98              | 53              | 8,336            | 6,887           |
| Others:              |                 |                 |                 |                  |                 |
| Domestic, compet-    |                 |                 |                 |                  |                 |
| ing directly....     | 3,488           | 2,971           | 2,199           | 163,723          | 153,807         |
| Imports, compet-     |                 |                 |                 |                  |                 |
| ing indirectly...    | 104             | 101             | 76              | 808              | 892             |
| <b>FRUITS</b>        |                 |                 |                 |                  |                 |
| Citrus, domestic.... | 3,148           | 3,704           | 2,650           | 15,916           | 17,374          |
| Imports.....         | 2               | 0               | 0               | 103              | 77              |
| Others, domestic.... | 1,506           | 1,076           | 1,785           | 53,852           | 47,784          |

### Cuban Shipments of Grapefruit to U. S. Decline

Shipments of grapefruit from Cuba to the United States for the ten-month period ending October 31, 1938, were considerably under those for the corresponding period of 1937, despite the fact that over 300,000 pounds of grapefruit were shipped in October, 1938, and none in October, 1937, according to the American consulate general at Habana.

Adverse weather conditions affected the grapefruit crop. It was also an off-season for pineapple in spite of shipments of 12,000 crates to the United States in October, 1938, which was a slight increase over the corresponding month in 1937.



### CITRUS SALES PROMOTION

#### Representatives of Retail Groups Recommend Methods of Increasing Consumption

Recommendations "for increasing the consumption of citrus fruits, and to enable retail groups to support a reasonable return to producers and a fair retail price to consumers", drawn by representatives of organized retailers, were made public November 25. The suggested program, designed to encourage the marketing of this season's record orange and grapefruit crops, resulted from a conference of representatives of retailers, wholesalers, shippers, and growers held at the Department of Agriculture this week.

The recommendations were offered by the National Association of Retail Grocers, Voluntary Groups Institute, Cooperative Food Distributors of America, National Association of Food Chains, and the Great Atlantic and Pacific Tea Co. They concerned two main proposals: means of reducing handling and distribution costs, and a general program to improve marketing and increase consumption.

The first proposal included recommendations that the maximum mark-up of 25 per cent above cost, 20 per cent on sales price, be used, with a minimum that will not violate anti-loss leader law; endorsement of Secretary Wallace's request for reduction in transportation cost; recommendation that "packing charges above 50 cents per box on grapefruit and 55 cents per box on oranges, exclusive of packing and hauling, would seem to be excessive;" suggestion that consumer costs be lowered and producer prices raised by requesting "a proportionate reduction of terminal market charges, such as brokerage, receiving agents' margins, auction charges, cartage, wholesale and jobber charges;" and approval of plan to eliminate third grade fruit from interstate shipments and "the proposal that tolerance in first and second grade fruits be reduced to five per cent instead of ten per cent."

Included in the second proposal of recommendations for a general program to improve marketing and consumption were: suggestion that an industry-wide committee be established to explore markets for citrus fruits; recommendation that sales efforts and activities used by all retail channels be promoted and coordinated; insistence that "growers recognize that the responsibility for the permanent development of markets rests with them and their organizations, and "that growers from the various competing producing areas coordinate their efforts toward stabilization of movement to market and of market values, and that they endeavor to eliminate sectional differences for the welfare of the citrus industry as a whole."

#### Tomato Production of Canneries in Naples

Operations of canneries of Naples packing tomato products were tapering off the middle of October, the American consulate general there reported. Cannery were said to agree that the canned peeled tomato output this year will be slightly more than it was a year ago, owing to a good demand from the United States and the United Kingdom and to short carry-over stocks.

However, the tomato paste production will be a little less than in 1937, as the result of a slackened demand in northern

Europe, which was reported to be caused in whole or in part by the Hungarian production.

#### Ecuador Tries U. S. Market for New Juice

Interest in the possible development of an export business to the United States of naranjilla juice from Ecuador has been revived recently, according to the American consulate general at Guayaquil. A trial shipment of 8 barrels, each containing 5 gallons, was made to New York. The export price was approximately \$1.50 per gallon. Difficulties of preparation and the lack of a sufficient supply for exportation in commercial quantities previously have prevented the efforts to develop the U. S. market from being commercially successful.

One Ecuadorean manufacturer has a cold system of concentrating naranjilla juice. It is packed in wooden barrels or kegs each containing 50 liters. The manufacturer states that by adding water the 50 liters will make 250 liters of juice. This product does not contain alcohol. The juice is described as resembling a citrus fruit juice, and is said to be similar in taste to lime juice. Under the terms of the reciprocal trade agreement with Ecuador, the United States reduced the duty on this juice from 70 cents to 35 cents per gallon.

#### U. S. Sardines Favored in Malayan Market

The market for American canned sardines in British Malaya is improving rapidly, "owing chiefly to the unwillingness of the Chinese population to purchase the Japanese product," according to a report from the American consulate general at Singapore. During the first six months of 1938, total imports of canned sardines amounted to 2,407 long tons, with the United States supplying 1,683 long tons of this amount, and Japan supplying 632 long tons. Total canned sardine imports during 1937 amounted to 5,924 long tons, with United States supplying 559 and Japan 5,279 long tons.

### CONTENTS

|  | PAGE |
|--|------|
| Food regulation recommendations                | 5681 |
| "Area of production" hearing                   | 5681 |
| British modify copper content tolerance        | 5681 |
| Vegetable allotments                           | 5682 |
| Corn supply and distribution                   | 5682 |
| 1938 production of cucumbers for pickles       | 5682 |
| Returns on women's club questionnaire          | 5683 |
| Evaporated milk imports into Philippines       | 5683 |
| Metallic copper in canned foods prohibited     | 5683 |
| Rural retail sales in October                  | 5683 |
| Census shows more poultry canned in 1937       | 5683 |
| Wholesale and retail prices                    | 5683 |
| Retail grocers plan vocational training        | 5683 |
| Fruit and vegetable market competition         | 5683 |
| Cuban shipments of grapefruit to U. S. decline | 5683 |
| Citrus sales promotion                         | 5684 |
| Tomato production of canneries in Naples       | 5684 |
| Ecuador tries U. S. market for new juice       | 5684 |
| U. S. sardines favored in Malayan market       | 5684 |